

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF PUERTO RICO**

IN RE:

MANUEL BABILONIA AND
MIRTA CORTES

Debtors.

Case No. 16-1148 (BKT)

Chapter 11

OBJECTION TO THE FIRST AMENDED DISCLOSURE STATEMENT

TO THE HONORABLE COURT:

COMES NOW, creditor PUERTO RICO TOURISM COMPANY, through the undersigned counsel, and respectfully alleges and prays as follows:

1. On February 17, 2016, Debtors filed a Chapter 11 Bankruptcy Petition. Docket No. 1. On June 30, 2016, the Puerto Rico Tourism Company filed its proof of claim for the amount of \$58,650.62. See Proof of Claim No. 12. And, on that same day, the Puerto Rico Tourism Company filed its proof of claim for the amount of \$25,608.00. See Proof of Claim No. 13. Both claims are for room taxes owed by Debtors in connection with Motel Tropical and the Perlas del Mar apartments used for short term tourism rentals, respectively. On December 12, 2016, Debtors filed their First Amended Disclosure Statement and First Amended Plan of Reorganization. Docket Nos. 131 and 132. The hearing for confirmation of the First Amended Disclosure Statement is scheduled for January 11, 2017. For the reason discussed below, the

Puerto Rico Tourism Company objects to the approval of the First Amended Disclosure Statement.

2. The First Amended Disclosure Statement filed by the Debtors states that the Puerto Rico Tourism Company's claims of \$58,650.00 and \$25,608.00 are entitled to priority pursuant to §507(a)(8)(C) and will be paid in accordance with Section 507(a)(8) of the Bankruptcy Code. Docket No. 131 at page 11. However, the Debtors' projected cash distributions do not account for the payment of neither Claim No. 12 for \$58,650.00 nor Claim No. 13 for \$25,608.00. **See Docket No. 131 at page 40.¹ The Puerto Rico Tourism Company has not agreed to a different treatment of its claim.** Therefore, it is entitled to "a total value, as of the effective date of the plan, equal to the allowed amount of such claim". This includes the payment of Claim No. 12 and Claim No. 13, which have not been disallowed by the Court despite the pending objection to Claim No. 12 filed by the Debtors. **See 11 U.S.C. § 1129(a)(9)(C).**

WHEREFORE, the Puerto Rico Tourism Company respectfully requests that the Honorable Court deny the approval of the Debtors' First Amended Disclosure Statement with such order and further relief this Honorable Court may deem proper.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 28th of December, 2016.

WE HEREBY CERTIFY: That on this date a true and exact copy of the foregoing document has been filed with the Clerk of Court using the CM/ECF system, which will send notification of such filing to all parties.

s/ Giselle López Soler
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¹ Indeed, Debtors included Claim No. 13 as an "unsecured" claim and did not project any payments to be made toward that claim, which should have been classified as priority.

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